



**AD HOC COMMITTEE
OF THE
TECHNOLOGY SERVICES BOARD
DEPARTMENT OF TECHNOLOGY SERVICES**

PUBLIC MEETING MINUTES

December 5, 2008

The Ad Hoc Committee of the Technology Services Board (TSB) met in open session, pursuant to the provisions of the Bagley-Keene Open Meeting Act, at approximately 9:00 a.m. in the Zinfandel Conference Room located at 1325 J Street, 16th Floor, Sacramento, California 95814.

1. Call to Order

Chairperson Teri Takai called the meeting to order at 9:03 a.m.

Roll Call was completed:

1. Teri Takai, State Chief Information Officer (present)
 2. Michael C. Genest, Director, Department of Finance
(Designee Fred Klass - present)
 3. John Chiang, State Controller
(Designee Jan Ross - present)
 4. A. G. Kawamura, Secretary, Department of Food and Agriculture
(Designee Davood Ghods - present)
 5. S. Kim Belshé, Secretary, California Health and Human Services Agency
(Designee Crystal Cooper - present)
 6. Thomas Johnson, Secretary, Department of Veterans Affairs
(Designee Terry Coyle - present)
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2. Approve November 7, 2008 Meeting Minutes – Action Item

There was a motion to adopt the November 7, 2008 TSB Ad Hoc Committee meeting minutes as presented, the motion was seconded, and was unanimously approved.

3. DTS 2008/09 and 2009/10 Financial Plan – Action Item

Department of Technology Services (DTS) Director, P.K. Agarwal, presented an overview of the DTS Financial Plan including driving forces, revised revenue and expenses, and a summary review from the last meeting.

A. Melissa Matsuura, DTS Acting Deputy Director, Administration, presented the Mid-Year 2008/09 and 2009/10 Rate Package which included proposed rates for Customer Owned Equipment Managed Service (COEMS), Printing, Encryption, e-Fax, e-Hub and Open Exam Rates. Richard Gillian of the Department of Finance (DOF) provided a report recommending adoption of the rate package. The DOF, Office of the Chief Information Officer (OCIO) and DTS agreed to eliminate e-Hub services from the Rate Package until the OCIO releases a policy statement on e-Hub usage. The service must also be submitted to the Committee using the new services methodology process. The Open Exam rate was also withdrawn from the Rate Package as the SPB has taken full ownership of statewide online open IT exams, eliminating the need for DTS to continue to conduct these types of examinations. There was further discussion on the impact of mid-year rate increases on departmental budgets and the departments with which DTS has discussed the rate package. Chairperson Takai recommended that the Mid-Year Rate Package be presented at the December 8th TSB meeting and the Committee unanimously approved this action.

B. Ms. Matsuura reviewed Cannery relocation strategies including cost recovery alternatives. Director Agarwal added that other options besides relocation had been considered, but none offered any significant financial or other benefits. In response



to Davood Ghods' question regarding the energy efficiency of the new building, Ms. Matsuura indicated that the new building will meet the Governor's requirement for energy efficiency. After some discussion, the Committee unanimously approved a motion to present the Cannery relocation and related costs at the December 8th TSB meeting. In addition, the Committee approved a motion recommending that the TSB approve Cannery relocation expenses of \$17.5 million and grant DTS the authority to negotiate and sign a lease for the required space. The Committee also approved a motion that DTS work with DOF to develop a rate surcharge alternative for Cannery relocation expenses.

C. Ms. Matsuura reviewed network rate strategies which included creating a simplified network rate structure, reallocating expenses to reflect services used, realigning one-time network installation charges to match actual expenses, and charging customers for DTS hourly consulting services. The concept of a simplified rate structure, including special rates for consulting services, was also approved by the Committee.

D. Ms. Matsuura reviewed Output Services strategies, including the realignment of print rates, and a move away from microfiche. The Committee recommended TSB approval for aligning DTS output service rates with costs, and also recommended DTS provide a package to the Committee detailing these rates.

4. Public Comment

There was no public comment.

5. Meeting Adjournment

The meeting was adjourned at 10:20 a.m.